

**TO:** The General Assembly  
**FROM:** Adam Greshin  
**CC:** Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office  
**DATE:** January 12, 2026  
**RE:** 3 V.S.A. § 473(d) VSERS Payroll Charge Report

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The following information is provided pursuant to 3 V.S.A. §473(d), which states:

*Annually, on or before January 15, the Commissioner of Finance and Management shall provide to the General Assembly a breakdown of the components of the payroll charge applied to each department's budget in the current fiscal year and anticipated to apply in the upcoming fiscal year. This report shall itemize the percentages of payroll assessments to fund:*

- (1) *the actuarially determined employer contribution to the Vermont State Retirement System;*
- (2) *any additional payments made pursuant to subdivision (c)(8) of this section to the Vermont State Retirement System; and*
- (3) *the employer contribution to the State Employees' Postemployment Benefits Trust Fund made pursuant to 3 V.S.A. § 479a (e)(3)*

## **FY26 Payroll Charges**

In FY26, a total payroll charge of 28.80% is applied to all employees enrolled in a Defined Benefit (DB) retirement plan. This charge includes:

- (1) 17.23% to fund the actuarially determined employer contribution to the Vermont State Retirement System, as described in 3 V.S.A. §473(c).
- (2) 0.0% to fund the additional payment to the Vermont State Retirement System described in 3 V.S.A. § 473(c)(8). This payment is funded in Sec. B.104.1 of Act 27 of 2025.
- (3) 11.58% to fund the employer contribution to the State Employees' Postemployment Benefits Trust Fund, pursuant to 3 V.S.A. §479a(e)(3).



Additionally, in FY26 a total payroll charge of 18.58% is applied to all employees enrolled in the State's Defined Contribution (DC) retirement plan. This charge includes:

- (1) 7.00%, pursuant to 3 V.S.A. §500(c).
- (2) 11.58% to fund the employer contribution to the State Employee's Postemployment Benefits Trust Fund, pursuant to 3 V.S.A. 479a(e)(3).

## **FY27 Payroll Charges**

In FY27, a total payroll charge of 28.80% is budgeted for all employees enrolled in a Defined Benefit (DB) retirement plan. This charge includes:

- (1) 16.63% to fund the actuarially determined employer contribution to the Vermont State Retirement System, as described in 3 V.S.A. §473(c).
- (2) 0.0% to fund the additional payment in FY27 to the Vermont State Retirement System described in 3 V.S.A. § 473(c)(8). This payment has been included as part of the Governor's Recommended Budget to the Legislature for FY27.
- (3) 12.17% to fund the employer contribution to the State Employees' Postemployment Benefits Trust Fund, pursuant to 3 V.S.A. §479a(e)(3).

Additionally, in FY27 a total payroll charge of 19.17% is anticipated for all employees enrolled in the State's Defined Contribution (DC) retirement plan. This charge includes:

- (4) 7.00%, pursuant to 3 V.S.A. §500(c); and
- (5) 12.17% to fund the employer contribution to the State Employee's Postemployment Benefits Trust Fund, pursuant to 3 V.S.A. 479a(e)(3).

